

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 EB-07 STR-01 NSC-05 SS-15 PM-03 SP-02

RSC-01 CIAE-00 INR-07 NSAE-00 H-01 L-02 PRS-01 SSO-00

NSCE-00 INRE-00 /056 W

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O R 032335Z JAN 75

FM AMEMBASSY QUITO

TO SECSTATE WASHDC IMMEDIATE 3901

INFO AMEMBASSY CARACAS

AMCONSUL GUAYAQUIL

C O N F I D E N T I A L QUITO 0085

E.O. 11652: GDS

TAGS: PFOR OAS EC

SUBJECT: U.S. POLICY TOWARD ECUADOR

REF: A. STATE 000940

B. QUITO 0042 (NOTAL)

C. QUITO 8883

D. QUITO 0004

1. ACCOMPANIED BY DCM I CALLED ON FONMIN LUCIO PAREDES AT 12:00 NOON JANUARY 3 AT MY REQUEST. I TOLD HIM THAT I WAS LEAVING NEXT DAY FOR WASHINGTON TO ATTEND MEETING OF U.S. AMBASSADORS TO COUNTRIES IN THE HEMISPHERE AND THAT I WISHED TO CARRY WITH ME HIS VIEWS ON THE CURRENT STATE OF OUR RELATIONS.

2. FONMIN SAID THAT HE HAD JUST BEEN ATTENDING HIGH LEVEL INTER-MINISTERIAL MEETING ON ECUADOR'S FOREIGN TRADE POLICY AND THAT HE HAD INTERRUPTED IT IN ORDER TO MEET WITH ME SINCE HE HAD TO LEAVE PROMPTLY FOR GUAYAQUIL. AFTER WISHING ME A HAPPY NEW YEAR, HE SAID THAT HE HAD HAD HOPES THAT THIS WOULD BE A GOOD YEAR FOR U.S.-EUCADOR RELATIONS BUT THAT ONE MORE ISSUE HAD ARISEN BETWEEN US WHICH CONCERNED HIM GREATLY. IT WAS AN OPPORTUNE TIME, HE THOUGHT, TO HAVE A
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COM MEETING IN WASHINGTON BECAUSE THE "NEW DIALOGUE" HAD

BEEN GRAVELY DAMAGED BY THE ACTION OF THE U.S. CONGRESS IN EXCLUDING ECUADOR FROM THE BENEFITS OF GSP. I RETURNED THE MINISTER'S BEST WISHES FOR A HAPPY NEW YEAR, ADDING THAT MY OWN EXPECTATIONS FOR THE NEW YEAR HAD TAKEN AN ABRUPT DROP THE AFTERNOON OF DECEMBER 31 (THE DATE OF THE MINISTER'S ANNOUNCEMENT THAT ECUADOR WOULD NOT ATTEND THE BA MFM).

3. LUCIO PAREDES SAID THAT ECUADOR HAD NO ALTERNATIVE BUT TO MAKE THE DECISION THAT IT HAD IN ANNOUNCING IT WOULD NOT ATTEND THE BUENOS AIRES MFM. ECUADOR HAD BEEN CHOSEN TO BE SPOKESMAN FOR THE OTHER LATIN AMERICAN COUNTRIES AT THE MEXICO AND WASHINGTON MEETINGS LAST YEAR. ITS POSITION AS A COUNTRY WHICH HAD "SUFFERED" FROM ECONOMIC COERCION, AND REGARDING WHICH ITS VIEW WAS WELL KNOWN, HAD LED TO ITS DESIGNATION AS SPOKESMAN ON THESE OCCASIONS. UNDER THESE CIRCUMSTANCES, WHY SHOULD ECUADOR ATTEND THE BUENOS AIRES MFM? THE BASIS FOR THE NEW DIALOGUE HAD BEEN DESTROYED, AND ECUADOR HAD NO WISH TO GO TO BUENOS AIRES TO HAVE AN OPEN CONFRONTATION WITH THE UNITED STATES. MANY LATIN AMERICAN COUNTRIES WERE DISTURBED BY THE U.S. TRADE BILL BECAUSE, WHILE IT EXCLUDED OPEC MEMBERS TODAY, ITS PROVISIONS WOULD EXCLUDE ANY OTHER COUNTRIES WHICH TRIED TO PROTECT THEIR EXPORT PRICES IN A CONCERTED MANNER TOMORROW. HE SPECIFICALLY MENTIONED COPPER AS SUCH A CASE AND VENEZUELA AND PERU AS SHARING AND HAVING VOICE THE GOE'S VIEWS ON THE BILL. IN ADDITION, ECUADOR IS A VERY SMALL COUNTRY, HE SAID, AND THE ONLY WAY IT HAS TO PROTECT ITSELF FROM HARMFUL ACTIONS ON THE PART OF THE GREAT INDUSTRIAL POWERS IS THROUGH ITS ADHERENCE TO ITS OWN PRINCIPLES AND THROUGH ITS OWN LAWS TO PROTECT ITS INTERESTS.

4. THE GOE'S ACTION HAD ONLY BEEN TAKEN AFTER LONG AND CAREFUL THOUGHT, THE FONMIN CONTINUED, AND A FULL WEEK AFTER SENDING HIS FIRST LETTER TO SECRETARY KISSINGER ON THIS SUBJECT. THE GOE'S POSITION HAD BEEN PROCLAIMED "WITHOUT DEMAGOGUERY". APROPOS OF "DEMAGOGUERY", HE REPEATED THE COMMENTS MADE TO DEPUTY SECRETARY INGERSOLL DURING THE QUITO MFM TO THE EFFECT THAT HE WOULD HAVE NO

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PART OF SUCH TACTICS. HE RECOGNIZED THAT THE GSP EXCLUSION WAS A U.S. CONGRESSIONAL ACTION. NEVERTHELESS, ECUADOR HAD NO CHOICE BUT TO DEAL WITH THE U.S. AS A SINGLE NATIONAL UNIT. HE WAS WELL AWARE OF THE FACT THAT THE EXECUTIVE AND THE DEPARTMENT OF STATE OPPOSED THIS PART OF THE GSP, AND EXPRESSED A HOPE THAT THE EXECUTIVE MIGHT GO BACK TO CONGRESS TO ATTEMPT TO GET THIS PROVISION DELETED. PERHAPS ECUADOR'S ANNOUNCED

DECISION NOT TO GO TO BUENOS AIRES MIGHT BE OF HELP TO THE EXECUTIVE BRANCH OF THE U.S. GOVERNMENT IN DEALING WITH THE CONGRESS ON THIS MATTER: HE HOPED SO.

5. I ASKED LUCIO PAREDES HOW HE THOUGH ECUADOR'S STANCE WOULD AFFECT THE BUENOS AIRES CONFERENCE. HE EVADED A DIRECT RESPONSE. I THEN ASKED HIM WHETHER ECUADOR'S POSITION OF THE GSP WOULD AFFECT THE COURSE OF OUR BILATERAL RELATIONS. HE DID NOT DIRECTLY ANSWER MY QUESTION, INSTEADY REPEATING THAT THE US ACTION WAS DETRIMENTAL TO THE DEVELOPMENT OF A NEW DIALOGUE BETWEEN THE US AND THE REST OF THE HEMISPHERE AND THAT ECUADOR DID NOT SEE HOW IT COULD PARTICIPATE IN SUCH A DIALOGUE WITH THIS "SWORD OF DAMOCLES" HANGING OVER IT.

6. THE MINISTER TOLD ME THAT THERE WAS A LETTER IN DRAFT TO SECRETARY KISSINGER THAT HE HOPED TO COMPLETE THIS AFTERNOON SO THAT I MIGHT CARRY IT WITH ME TO WASHINGTON. THIS WOULD BE A FOLLOW UP TO HIS LETTER OF DECEMBER 23 (QUITO 8786).

7. COMMENT: OUR MEETING CONSISTED OF A MONOLOGUE BY THE FONMIN ALBEIT A COURTEOUS AND CORDIAL ONE. IT REMINDED ME IN SOME WAYS OF MY INITIAL CONVERSATIONS WITH HIM ON THE FISHING PROBLEM, THOUGH IN THE PRESENT INSTANCE HIS FEELING WAS OBVIOUSLY MORE INTENSE. THE SAME THEME KEPT RECURRING ACCOMPANIED BY REFERENCES TO THREATS, TO "DIGNITY" AND ON TWO OCCASIONS TO THE ATTITUDE OF THE SCHOOL TEACHER TOWARD A STUDENT. I THINK LUCIO PAREDES WAS SINCERE IN TRYING NOT ONLY TO GET ACROSS ECUADOR'S POSITION BUT ALSO HIS OWN PERSONAL CONVICTION THAT SEVERE DAMAGE TO HEMISPHERIC RELATIONS AND TO THE SECRETARYS DESIRE FOR A NEW DIALOGUE WILL RESULT FROM
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THE GSP EXCLUSION. TO UNDERLINE THE LATTER, HE INTERJECTED AT ONE POINT THAT HE HAD ALWAYS MADE FAVORABLE AND SUPPORTIVE REFERENCES TO THE NEW DIALOGUE--A SITUATION IN CONTRAST TO THAT OBTAINING IN OTHER (UNSPECIFIED) COUNTRIES.

8. MY OVERALL IMPRESSION OF THE MEETING IS THAT ECUADOR'S ACTIONS OF DECEMBER 31 REFLECTED THE LEAST THE GOE THOUGHT IT COULD DO UNDER THE CIRCUMSTANCES; THAT IT BELIEVES THE BASES OF THE NEW DIALOGUE HAVE BEEN SERIOUSLY ERODED; AND THAT THE MINISTER HIMSELF, AT LEAST, PROBABLY HOPES TO MINIMIZE BROADER DAMAGE TO OUR BILATERAL RELATION. THE SIGNALS AND THE TIMING THAT WE SEND BACK TO HIM IN THE NEAR FUTURE WILL THUS BE IMPORTANT.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRADE LAW, FOREIGN POLICY POSITION, FOREIGN MINISTERS MEETINGS, DIPLOMATIC DISCUSSIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 03 JAN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: greeneet
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975QUITO00085
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750004-0199
From: QUITO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750179/aaaacrqq.tel
Line Count: 169
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 75 STATE 000940
Review Action: RELEASED, APPROVED
Review Authority: greeneet
Review Comment: n/a
Review Content Flags:
Review Date: 03 SEP 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <03 SEP 2003 by CunninFX>; APPROVED <16 SEP 2003 by greeneet>; APPROVED <16 SEP 2003 by greeneet>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: U.S. POLICY TOWARD ECUADOR
TAGS: PFOR, EC, US, XM, OAS, (LUCIO PAREDES)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006